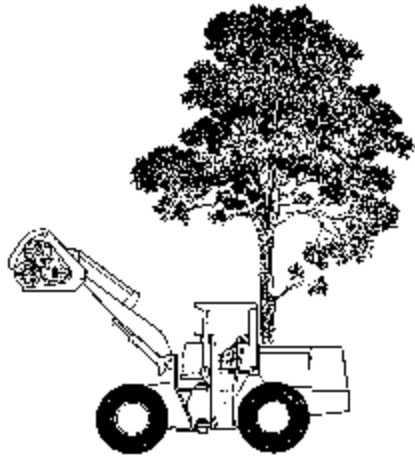
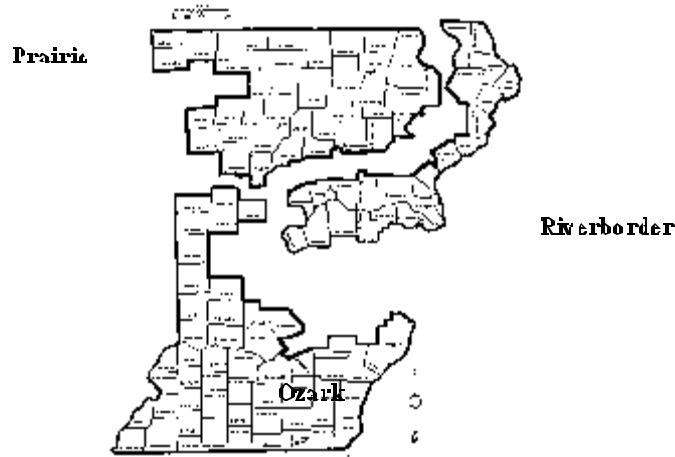


Missouri Timber Price Trends



Quarterly Market Report
Vol. 5 No. 3
July-September, 1995

Price Reporting Regions



Missouri Timber Price Trends tracks market prices for Stumpage and Delivered Logs. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. Reports on the Log Market give delivered log prices and are compiled from reports submitted by sawmills and other wood processing plants. These reports should serve as a **general** guide to track stumpage and delivered log prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

Tree Scale Conversion Factors

Sawlogs - Veneer Logs		Int'l = Doyle x 1.52
		Int'l = Scribner x 1.18
Pulpwood	Pine	5,200 lbs/cord
	Hardwood (hard)	5,600 lbs/cord
	Hardwood (soft)	4,200 lbs/cord

STATEWIDE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI (July-September, 1995)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
White oak (group)	\$420	\$420	\$420	-	-	1	2554
Sawlogs							
Ash	\$180	\$180	\$180	-	-	1	801
Black Walnut	\$328	\$328	\$328	-	\$249	1	319
Oak (mixed species)	\$137	\$43	\$104	\$93	\$125	15	2078092
Red oak (group)	\$265	\$113	\$195	\$149	\$162	5	89256
White oak (group)	\$198	\$111	\$124	\$125	\$124	4	75303
Mixed Hardwoods	\$160	\$52	\$100	\$72	\$77	5	965935
Southern Yellow Pine	\$160	\$125	\$156	-	\$132	2	32551
Stave logs							
White oak (group)	\$225	\$225	\$225	\$157	-	1	18843
Fence posts							
Southern Yellow Pine	\$32	\$32	\$32	\$35	-	1	951 Pieces
Scragwood							
Mixed Hardwoods	\$5	\$5	\$5	\$6.32	-	1	32 Cords

MBF = Thousand Board Feet. Board Foot Volumes are based on International 1/4" Rule Scale

TIMBER STUMPAGE PRICE TRENDS IN MISSOURI'S PRAIRIE REGION (July-September, 1995)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Sawlogs							
Black Walnut	\$282	\$282	\$282	-	\$222	1	9728
Oak (mixed species)	\$49	\$49	\$49	-	\$49	1	111006
White oak (group)	\$65	\$65	\$65	\$102	\$153	1	61560

MBF = Thousand Board Feet. Board Foot Volumes are based on International 1/4" Rule Scale

TIMBER STUMPAGE PRICE TRENDS IN MISSOURI'S OZARK REGION (July-September, 1995)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer							
White oak (group)	\$420	\$420	\$420	-	-	1	2554
Sawlogs							
Ash	\$180	\$180	\$180	-	-	1	801
Black Walnut	\$328	\$328	\$328	-	\$249	1	319
Oak (mixed species)	\$137	\$43	\$104	\$93	\$125	15	2078092
Red oak (group)	\$265	\$113	\$195	\$149	\$162	5	89256
White oak (group)	\$198	\$111	\$124	\$125	\$124	4	75303
Mixed Hardwoods	\$160	\$52	\$100	\$72	\$77	5	965935
Southern Yellow Pine	\$160	\$125	\$156	-	\$132	2	32551
Stave logs							
White oak (group)	\$225	\$225	\$225	\$157	-	1	18843
Fence posts							
Southern Yellow Pine	\$32	\$32	\$32	\$35	-	1	951 Pieces
Scragwood							
Mixed Hardwoods	\$5	\$5	\$5	\$6.32	-	1	32 Cords

MBF = Thousand Board Feet. Board Foot Volumes are based on International 1/4" Rule Scale

Missouri Log Market Report



Missouri Department of Conservation, Forestry Division University of Missouri, Forestry Extension Missouri Forest Products Association

Welcome to the **Missouri Log Market Report**. This report is intended to provide information on delivered log prices and market conditions for loggers and mill operators. Landowners can benefit by tracking market conditions for the various wood products harvested from a tree.

The Log Market Report is published as a cooperative effort of the Forestry Division of the Missouri Department of Conservation, University of Missouri-Extension and the Missouri Forest Products Association.

The report details prices for **Grade Logs** by species and grade; and prices for **Below Grade Logs** by species and intended end use, such as blocking, pallet lumber or ties. All prices are based on the average mean within the grade standard or product line. Absolute maximums or minimums are not reported. All prices are based on a thousand board feet unit using the International 1/4" Log Scale. Log grades used in this report are based on the following **minimum** criteria:

	Grade 1	Grade 2	Grade 3
Minimum Diameter	13-15"	11"	8"
Minimum Log Length	10'	8'	8'

We hope you find the information useful and will be working to expand the number of participating mills; reported species and products (veneer, etc); and the range of coverage for the report. All information provided by the participating mills is confidential.

If you have any questions, comments, or would like to participate in the reporting program, please call Shelby Jones at (314) 751-4115, Extension 109.

Grade Logs - Average Statewide Delivered Prices

(July-September, 1995)

Dollars Per Thousand Board Feet, International 1/4" Scale

Veneer Species	High	Low	Average
Black Walnut	\$1331	\$658	\$949
White oak (group)	\$1557	\$1238	\$1364

* 7 Mill(s) reporting.

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$313	\$199	\$108
Black Walnut	\$688	\$363	\$161
Cherry	\$534	\$317	\$156
Cottonwood	\$123	\$106	\$107
Eastern Redcedar	\$250	\$250	\$159
Elm	\$120	\$120	\$140
Gum	-	-	\$147
Hackberry	\$170	\$121	\$113
Hard Maple	\$294	\$184	\$121
Hickory	\$151	\$120	\$124
Pecan	\$120	\$120	\$120
Red oak (group)	\$380	\$251	\$158
Soft Maple	\$232	\$195	\$105
Southern Yellow Pine	\$200	-	\$160
Sycamore	\$147	\$118	\$106
White oak (group)	\$336	\$218	\$127

* 19 Mill(s) reporting.

Grade Logs - Average Delivered Prices for the Prairie Region

(July-September, 1995)

Dollars Per Thousand Board Feet, International 1/4" Scale

Veneer Species	High	Low	Average
Black Walnut	\$982	\$394	\$609
White oak (group)	\$1824	\$1617	\$1680

* 4 Mill(s) reporting.

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$318	\$173	\$68
Cherry	\$441	\$245	\$102
Cottonwood	\$147	\$92	\$41
Hickory	\$183	-	\$82
Red oak (group)	\$588	\$368	\$133
Soft Maple	\$269	\$168	\$82
Sycamore	\$161	\$116	\$82
White oak (group)	\$453	\$199	\$89

* 3 Mill(s) reporting. Note: Grade 1&2 Log standards are more selective in the Prairie region.

Grade Logs - Average Delivered Prices for the Ozark Region

(July-September, 1995)

Dollars Per Thousand Board Feet, International 1/4" Scale

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$300	\$210	\$165
Black Walnut	-	-	\$61
Cherry	-	-	\$160
Cottonwood	-	-	\$160
Eastern Redcedar	-	-	\$69
Elm	-	-	\$160
Gum	-	-	\$147
Hackberry	\$220	\$122	\$110
Hard Maple	-	-	\$160
Hickory	-	-	\$147
Red oak (group)	\$321	\$247	\$169
Soft Maple	-	-	\$160
Southern Yellow Pine	\$200	-	\$160
Sycamore	-	-	\$110
White oak (group)	\$286	\$208	\$152

* 12 Mill(s) reporting.

Grade Logs - Average Delivered Prices for the Riverborder Region

(July-September, 1995)

Dollars Per Thousand Board Feet, International 1/4" Scale

Veneer Species	High	Low	Average
Black Walnut	\$1795	\$1009	\$1402
White oak (group)	\$1290	\$860	\$1047

* 3 Mill(s) reporting.

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$312	\$232	\$111
Black Walnut	\$688	\$363	\$195
Cherry	\$580	\$353	\$181
Cottonwood	\$111	\$120	\$120
Eastern Redcedar	\$250	\$250	\$250
Elm	\$120	\$120	\$120
Hackberry	\$120	\$120	\$120
Hard Maple	\$294	\$184	\$82
Hickory	\$120	\$120	\$120
Pecan	\$120	\$120	\$120
Red oak (group)	\$414	\$236	\$147
Soft Maple	\$176	\$250	\$120
Sycamore	\$120	\$120	\$120
White oak (group)	\$325	\$244	\$112

* 5 Mill(s) reporting.

Below Grade Logs - Average Statewide Delivered Prices

(July-September, 1995)

Dollars Per Thousand Board Feet, International 1/4" Scale

Below Grade Logs Species	Blocking	Pallets	Tie
Ash	\$125	\$125	\$157
Black Walnut	\$132	\$132	\$132
Cherry	\$132	\$138	\$132
Cottonwood	\$113	\$111	\$132
Eastern Redcedar	\$262	\$262	\$262
Elm	\$131	\$124	\$138
Gum	\$128	\$135	\$158
Hackberry	\$119	\$127	\$148
Hard Maple	\$121	\$129	\$145
Hickory	\$119	\$123	\$156
Pecan	\$154	\$123	\$132
Red oak (group)	\$120	\$126	\$158
Soft Maple	\$132	\$122	\$132
Southern Yellow Pine	\$142	\$143	\$150
Sycamore	\$115	\$119	\$145
White oak (group)	\$119	\$136	\$158

* 6 Mill(s) reporting.

QUARTERLY MARKET CONDITIONS

29 mills, with a combined production of 93 million board feet, participated in the July-September, 1995 survey of log and lumber market conditions. In addition, foresters reported stumpage prices resulting from 19 timber sales containing 6.9 million board feet throughout the state.

Log Markets

There was good geographic distribution from all portions of the state of sawmills reporting prices and market conditions this past quarter. There are some notable difference in the regions that are worth mentioning.

Ozark Region. It is apparent that low grade markets greatly influence the general trend of the wood products business in southern Missouri. For the past six months, nearly all reporting mills have mentioned declining markets for pallet cants, pallet lumber, blocking, and flooring grades. The only note of optimism has been with a steady tie market and upper grades of oak lumber. These generally depressed market conditions have resulted in a tighter squeeze between stumpage prices and delivered log prices and reduced production from sawmills. Reporting mills in the Ozark Region indicated production levels at about 75% of capacity. Most log inventories appear to be adequate and there does not appear to be an effort by most mills to increase log purchases or inventories in the next quarter. This cost saving strategy could create problems if there is adverse late-winter logging conditions. Should that situation occur stumpage prices for easily accessible timber sales will almost certainly increase in areas where there is significant competition for logs.

Prairie Region. Production levels for mills in the Prairie Region were even lower than in the Ozarks with the average being only 2/3 of capacity. However, the overall attitude is optimistic for improvements in the fourth quarter. Log purchases to build inventories for the winter months are already in progress. Pallet lumber and cant markets are in a slump in northern and western Missouri to much the same degree as the Ozarks. Ash seems to be in demand by many mills. Soft maple lumber prices slipped last quarter, but at least a few mills indicate they will be increasing production of that species. Not enough mills reported veneer log prices to indicate reliable market levels at this time. If traditional price patterns hold true this year, we will see more stumpage sales of veneer logs in the next quarter than any other time of year. Early season prices seem to be slightly higher than in '94 for both walnut and white oak. No red oak data was reported.

River Border Region. This region has many large sawmills and generally higher quality timber/logs. It frequently differs considerably from other areas of the state in prices and production activity. During the third quarter, all reporting mills indicated they were operating at 100% of capacity. This is a marked contrast to the other two regions. Responding more to grade lumber markets than those for lower grade products, mills in this area mainly commented about the high stumpage prices compared to the overall market. Low grade markets are depressed in the River Border region similar to the rest of the state. However, yield of higher grade lumber from the higher quality logs have kept mills running full production schedules. Markets for green oak grade lumber have gotten tighter, however mills with dry kilns report good demand and only slightly reduced prices. Log inventories are generally adequate and near normal for this time of year. Log procurement will remain at levels comparable to the past quarter.

Stumpage Markets

The customary word of caution about using price information from this report holds true again this quarter. Average values calculated from only a few sales can be misleading. Several species are reported this quarter even though there was only one or two sales reporting prices. If the

values shown seem to be unrealistically high or low for your area, we suggest you obtain additional information from your local forester or timber processor. Also, please remember that all prices in this report are converted to **International 1/4" Log Scale**. If the predominant scale in your area is Doyle, you will need to convert to the familiar volume and value. Scale conversion information is found on page two of this report.

In analyzing the individual stumpage price reports that go into compiling this publication, I am constantly reminded of the significantly higher prices attracted by timber sales containing better quality trees. I don't believe I have ever seen larger price differentials between low and high quality timber of the same species than has been evident for the past year. As a professional forester I know that much of the higher quality timber is coming from stands that have been actively managed for many years, even generations in some cases. Sales from public lands consistently brings higher prices than the average sale from privately-owned land. The difference can usually be attributed to long term management and more intensive sale administration. There are rewards for good land stewardship, not the least of which is significantly increased dollar returns at harvest time! The wood using industries and forest landowners both gain when the goal of high quality timber production is realized.

Stumpage prices for timber sales containing larger and better quality trees of all species are significantly higher than average or below average stands. Good timber management in the past is really paying off in today's timber markets. Mills can afford to pay more for logs they know will yield more grade lumber or other high value products. Poor quality logs simply don't yield many products that have a very high value. With our current situation of having a sluggish market for most low grade products such as pallet cants, pallet lumber, and blocking, stumpage prices decline more on poor quality logs than on high grade logs. Thus, there is a lot of variation between the highest and lowest stumpage values reported.

Red oak species have declined slightly in price from the record levels of one year ago. However, they are still at a level which should interest many landowners. White oak prices continue to be lower than for red oak except for high quality veneer logs. Stumpage for "mixed oak" sales is almost totally dependent on the characteristics of the individual sale, better species (red oak, black oak, white oak) and bigger trees will be worth more. A mixed oak stand composed of pin oak or post oak will not bring as much.

With the above advice, you can draw your own conclusions from the stumpage price tables for the third quarter. Nothing was really "hot" this quarter, but there were no severely depressed markets either. If you plan to sell timber in the next three months, you will probably find stumpage bid prices comparable to this report with the exception of veneer logs which historically command higher prices in the winter months. At this time there are really no indications of significant change for other grades of logs.

Editor's Note:

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (314) 751-4115, Extension 308, will be happy to provide you with the name and address of the Resource Forester or District Forest Office nearest to you.

Electronic Access to Timber Price Reports

The Missouri Timber Price Trends, published quarterly by the Forestry Division, Missouri Dept. of Conservation is available on both a state-wide computer bulletin board and in the Internet. If you have the computer hardware and software needed, the price information will be available to you several days sooner than waiting for the printed version in the mail. Necessary information for electronic access is listed below. If you would like a real person to help you through the procedure you can phone (314) 882-4827. This will connect you with personnel from the Agricultural Electronic Bulletin Board at the University of Missouri-Columbia. They will help you access either their bulletin board (AgEBB) or the Internet. There is no cost for this assistance other than the cost of the telephone call.

AgEBB is an electronic network among farmers, agribusiness, University Extension specialists, and University faculty. It is sponsored by the University Extension Commercial Agriculture Program. There are no access fees, only the cost of a telephone call. Files can be downloaded onto your computer to be read at your convenience eliminating lengthy telephone usage. The bulletin board itself is menu-driven and designed to be easy to use. The access telephone number is **314/882-**

8289. Preferred modems settings are:

Baud rate 9600,2400,1200, or 300

Parity: N

Data Bits: 8

Stop Bits: 1

Internet addresses for AgEBB are:

gopher--ETCS.EXT.MISSOURI.EDU

www--HTTP://ETCS.EXT.MISSOURI.EDU:70/1/AGEBB

If this is confusing, please call the help line (314) 882-4827 and have them step you through the entire process.

New Hardwood Chip Markets

Several markets for paper quality hardwood chips have recently opened up in southern Missouri. This will be welcome news for mills who have been accumulating slabs and edgings for the past few months. Three separate markets have come to our attention, all desiring hardwood chips. In some cases, it is possible to sell debarked slabs, which will be chipped at a central location. However, in most cases, the market is for clean, hardwood chips. Please check with the people listed below to determine the specifications for your closest market.

Central & Southern Ozarks

Ozark Chip Company is seeking suppliers of clean hardwood chips delivered to either Brandville, MO or Batesville, AR. They are offering both 2 year and 5 year contracts and assistance with financing for debarking/chipping equipment. For information contact: Rodger Shelton, Brett Owens, or Mark Garnett at (417) 867-5651.

Southwest Missouri

Ozark Wood Products, Goodman, MO is currently purchasing hardwood roundwood and intends to purchase debarked hardwood slabs directly from sawmills in the near future. For prices and specifications, please contact John Sarratt at (417) 364-7474.

Eastern Missouri

Foster Brother Wood Products, Auxvasse, MO is currently purchasing clean hardwood chips at a barge terminal near the Jefferson Barracks bridge in south St. Louis County. They have installed a truck dump for fast unloading. They are also interested in purchasing hardwood bark from chip producers. For directions to the terminal and prices please contact Steve or Jay Foster at (314) 386-2271.

